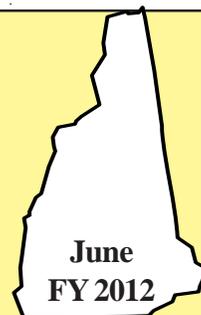


PRELIMINARY ACCRUAL - UNAUDITED

State Of New Hampshire Monthly Revenue Focus Department of Administrative Services

Linda M. Hodgdon, Commissioner
Edgar R. Carter, Comptroller



Analysis

This June 2012 Monthly Revenue Focus represents **PRELIMINARY ACCRUAL-BASED** revenues for fiscal 2012 and is **UNAUDITED**. Estimated accrual basis revenues are derived using cash basis results, deducting cash collected during the fiscal year on prior year receivables (revenue was already included in FY11 results) and adding the currently estimated receivables due to the State as of June 30, 2012. These estimated amounts are subject to validation and audit, and are not finalized until conclusion of the audit. When comparing 2012 to the prior year, note that fiscal 2011 revenues represent final audited results.

Fiscal 2012 unrestricted accrual-based revenue for the General and Education Funds totaled \$2,180.3 million which was short of plan by \$8.9 million. Traditional taxes, before MET and Recoveries, exceeded both plan and prior year by \$12.9 million and \$29.5 million, respectively. Total revenues for FY 12 (including Recoveries) are not comparable to FY 11 actuals as certain recovery revenue was not budgeted/recorded as unrestricted revenue in FY 12 (see Recoveries comment below).

When comparing this report to the June **CASH BASIS** report, these accrual results were higher by \$17.7 million, due largely to the following accrual basis increases and decreases to revenues:

Increases:

Medicaid Enhancement Tax (MET)	\$9.5 million
Other Unrestricted Revenue	\$3.2 million
Tobacco Tax	\$3.0 million
Meals & Rentals Tax	\$1.4 million
Interest & Dividends Tax	\$1.1 million

Decreases:

Business Taxes	\$1.0 million
Communications Tax	\$1.0 million

All other revenue adjustments (changes of less than \$1.0 million each) increased revenue by \$1.5 million (net).

The change in MET revenues reflects the collection in July of amounts related to FY 12. Tobacco accounts receivable increased considerably over that recorded in the prior fiscal year as, according to the Department of Revenue, customers had delayed purchases from June 2011 into the period following the tax rate reduction which was effective July 1, 2011. Receivables of Other unrestricted revenue represents subsequent collections from agencies of indirect costs and additional statutory transfers from certain agencies.

Revenue Results Summary – Fiscal Year 2012:

- Business Taxes were above the plan by 2% and above prior year by 5%.
- Meals & Rentals Tax was above the plan by 4% and above prior year by 1% (or 5% above prior year on a gross basis before the effect of debt service transfers).
- Tobacco Tax was below both plan and prior year by 4% and 5%, respectively. The 5% decrease (approximately \$12 million) from prior year is estimated to be comprised of: approximately \$12 million due to rate reduction, approximately \$2 million less in smokeless tobacco revenue, offset by approximately \$2 million or 1% increase in stamp sales volume primarily due to delayed purchases at the end of FY 11 (see analysis on page 4).
- Interest & Dividends taxes were below the plan by 3% but above prior year by 8%.
- Real Estate Transfer taxes were above plan by 4% and above prior year by 1% (see trend analysis on next page)
- Securities Revenue came in 7% above plan due to a larger number of new registrants and renewals than anticipated.
- Board & Care Revenue was 20% above plan and 9% above prior year.
- Other Revenue came in above both plan and prior year by 4% and 3%, respectively.
- Lottery Commission contributed 4% less than plan for the year but 8% above prior year.
- Utility Property Tax was 17% above plan due to increased appraised property values (no rate change).
- MET is currently 25% below plan and 22% below prior year.
- Recoveries were below prior year largely due to drug rebate revenue now budgeted as restricted pharmacy services revenue per Chapter 223, Laws of 2011.

For additional information and discussion on revenues, please refer to the analysis which accompanied the June **CASH BASIS** report.

All funds reported are unaudited, dollars in millions.

RET Analysis												
(In Millions)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY12	7.6	9.8	7.7	6.6	7.0	6.1	8.0	5.4	4.3	5.7	6.5	7.9
FY11	9.6	6.9	6.6	6.7	6.6	7.3	7.7	5.1	5.1	5.6	8.4	6.4
FY10	9.0	8.3	7.6	8.1	7.1	7.3	7.4	4.6	4.4	6.4	7.0	7.6
Mo over Mo	(2.0)	2.9	1.1	(0.1)	0.4	(1.2)	0.3	0.3	(0.8)	0.1	(1.9)	1.5
% Mo over Mo	-21%	42%	17%	-1%	6%	-16%	4%	6%	-16%	2%	-23%	23%
YTD change over Prior Year	(2.0)	0.9	2.0	1.9	2.3	1.1	1.4	1.7	0.9	1.0	(0.9)	0.6
% YTD change	-21%	5%	9%	6%	6%	3%	3%	3%	1%	1%	-1%	1%

General & Education Funds Comparison - FY 12 to FY 11

General & Education Funds	FY12	FY11	Inc/(Dec)	%
	Actuals	Actuals		
Business Profits Tax	\$ 309.9	\$ 297.8	\$ 12.1	4.1%
Business Enterprise Tax	202.4	192.4	10.0	5.2%
Subtotal	512.3	490.2	22.1	4.5%
Meals & Rentals Tax	238.5	235.5	3.0	1.3%
Tobacco Tax	215.0	226.6	(11.6)	-5.1%
Transfer from Liquor Commission	125.3	125.7	(0.4)	-0.3%
Interest & Dividends Tax	83.0	76.6	6.4	8.4%
Insurance Tax	85.0	84.9	0.1	0.1%
Communications Tax	78.2	76.5	1.7	2.2%
Real Estate Transfer Tax	82.6	82.0	0.6	0.7%
Court Fines & Fees	13.7	13.7	-	0.0%
Securities Revenue	37.6	37.0	0.6	1.6%
Utility Consumption Tax	5.9	6.0	(0.1)	-1.7%
Board & Care Revenue	24.5	22.5	2.0	8.9%
Beer Tax	13.0	12.9	0.1	0.8%
Racing & Games of Chance	-	2.5	(2.5)	-100.0%
Other	77.2	75.1	2.1	2.8%
Gambling Winnings Tax	-	3.2	(3.2)	-100.0%
Transfers from Lottery Commission	67.3	62.2	5.1	8.2%
Transfers from Racing & Charitable Gaming	3.7	1.3	2.4	184.6%
Tobacco Settlement	42.5	41.7	0.8	1.9%
Utility Property Tax	33.1	32.3	0.8	2.5%
State Property Tax	363.1	363.6	(0.5)	-0.1%
Subtotal Traditional Taxes and Transfers	2,101.5	2,072.0	29.5	1.4%
Net Medicaid Enhancement Revenue	72.5	93.4	(20.9)	-22.4%
Recoveries	6.3	27.8	(21.5)	-77.3%
Total Revenues	\$2,180.3	\$2,193.2	\$ (12.9)	-0.6%

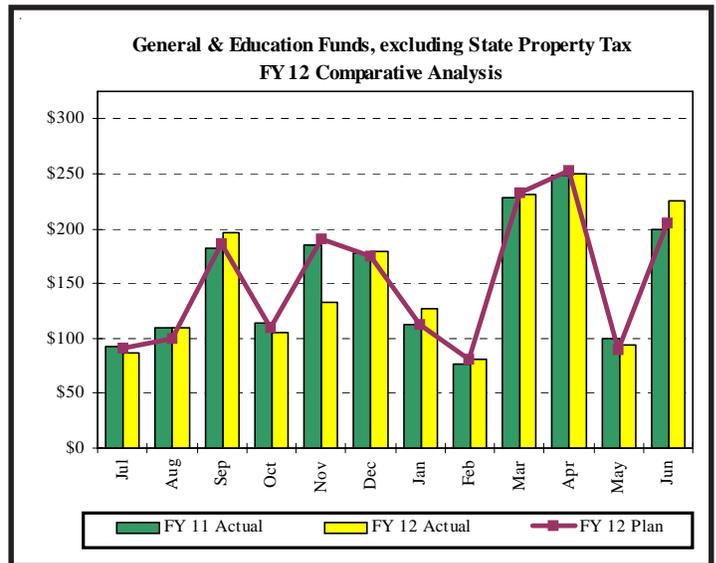
Not reflected in prior year actuals is \$1.5 million from the CCSNH per Chapter 143:17 L'09. This unbudgeted amount was omitted in order to be comparable with FY 12.

General and Education Funds

Year-to-Date Comparison to Plan											
General & Education Funds	General			Education			Total			% Inc/Dec	
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan		
Business Profits Tax	\$ 255.2	\$ 257.0	\$ (1.8)	\$ 54.7	\$ 55.5	\$ (0.8)	\$ 309.9	\$ 312.5	\$ (2.6)	-0.8%	
Business Enterprise Tax	67.6	63.5	4.1	134.8	127.0	7.8	202.4	190.5	11.9	6.2%	
Subtotal	322.8	320.5	2.3	189.5	182.5	7.0	512.3	503.0	9.3	1.8%	
Meals & Rentals Tax	231.2	221.9	9.3	7.3	7.3	-	238.5	229.2	9.3	4.1%	
Tobacco Tax	136.2	125.6	10.6	78.8	97.9	(19.1)	215.0	223.5	(8.5)	-3.8%	
Transfer from Liquor Commission	125.3	131.4	(6.1)	-	-	-	125.3	131.4	(6.1)	-4.6%	
Interest & Dividends Tax	83.0	85.4	(2.4)	-	-	-	83.0	85.4	(2.4)	-2.8%	
Insurance Tax	85.0	86.1	(1.1)	-	-	-	85.0	86.1	(1.1)	-1.3%	
Communications Tax	78.2	80.2	(2.0)	-	-	-	78.2	80.2	(2.0)	-2.5%	
Real Estate Transfer Tax	53.7	53.1	0.6	28.9	26.5	2.4	82.6	79.6	3.0	3.8%	
Court Fines & Fees	13.7	13.8	(0.1)	-	-	-	13.7	13.8	(0.1)	-0.7%	
Securities Revenue	37.6	35.1	2.5	-	-	-	37.6	35.1	2.5	7.1%	
Utility Consumption Tax	5.9	6.0	(0.1)	-	-	-	5.9	6.0	(0.1)	-1.7%	
Board & Care Revenue	24.5	20.5	4.0	-	-	-	24.5	20.5	4.0	19.5%	
Beer Tax	13.0	13.2	(0.2)	-	-	-	13.0	13.2	(0.2)	-1.5%	
Other	77.2	74.1	3.1	-	-	-	77.2	74.1	3.1	4.2%	
Transfers from Lottery Commission	-	-	-	67.3	70.0	(2.7)	67.3	70.0	(2.7)	-3.9%	
Transfers from Racing & Charitable Gaming	-	-	-	3.7	3.8	(0.1)	3.7	3.8	(0.1)	-2.6%	
Tobacco Settlement	2.5	2.4	0.1	40.0	40.0	-	42.5	42.4	0.1	0.2%	
Utility Property Tax	-	-	-	33.1	28.2	4.9	33.1	28.2	4.9	17.4%	
State Property Tax	-	-	-	363.1	363.1	-	363.1	363.1	-	0.0%	
Subtotal Traditional Taxes and Transfers	1,289.8	1,269.3	20.5	811.7	819.3	(7.6)	2,101.5	2,088.6	12.9	0.6%	
Net Medicaid Enhancement Rev	72.5	97.0	(24.5)	-	-	-	72.5	97.0	(24.5)	-25.3%	
Recoveries	6.3	3.6	2.7	-	-	-	6.3	3.6	2.7	75.0%	
Total Revenues	\$ 1,368.6	\$ 1,369.9	\$ (1.3)	\$ 811.7	\$ 819.3	\$ (7.6)	\$ 2,180.3	\$ 2,189.2	\$ (8.9)	-0.4%	

Education Trust Fund Statement of Activity - FY 2012 July 1, 2011 to June 30, 2012	
Description	Amount
Beginning Surplus (Deficit)	\$ -
Unrestricted Revenue - See above	811.7
Expenditures Education Grants & Adm Costs	(957.2)
Ending Surplus / (Deficit)	\$ (145.5)

All above amounts are PRELIMINARY and UNAUDITED and are subject to further adjustments for accounts receivable, gaap accruals and other adjustments as year end is finalized and any remaining deficit will be funded by the General Fund. The FY 2012 budget anticipated a deficit of \$136.5 million.

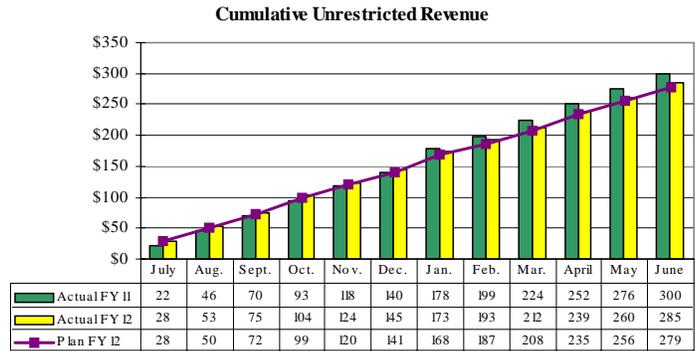


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Highway Fund

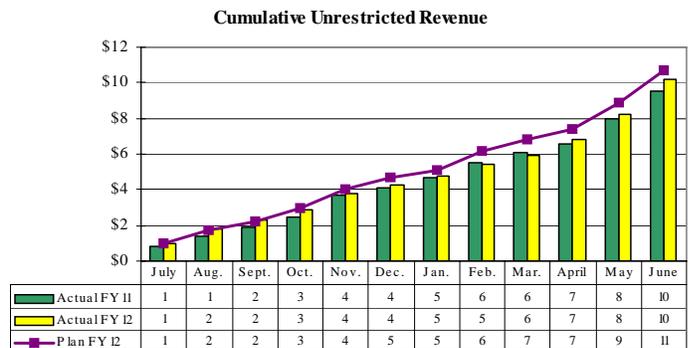
Comparison to Plan			
Revenue Category	FY 12 Actuals	FY 12 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 123.3	\$ 124.5	\$ (1.2)
Miscellaneous	48.9	44.6	4.3
Motor Vehicle Fees			
MV Registrations	76.8	73.9	2.9
MV Operators	12.8	12.1	0.7
Inspection Station Fees	3.9	3.9	-
MV Miscellaneous Fees	11.6	12.0	(0.4)
Certificate of Title	7.9	7.7	0.2
Total Fees	113.0	109.6	3.4
Total	\$ 285.2	\$ 278.7	\$ 6.5



Highway Fund revenues came in 2% above plan and according to the Department of Transportation, the **Miscellaneous** category received higher receipts of cost reimbursement (revenue) for Federal and Turnpike projects. Additionally, registration receipts performed better than estimates. As compared to the prior year, Highway revenue was down 5% (\$285 million vs. \$300 million in FY 11) due largely to the approximate \$25 million decrease in MV Registrations as a result of the expiration of the surcharge enacted in Chapter 144, Laws of 2009. Offsetting this decrease was an approximate \$7 million increase in MV Operators as FY 11 revenue was lower due to timing related to the extended license renewal period. In addition, Misc. & Other revenues increased by approximately \$3 million (net).

Fish & Game Fund

Comparison to Plan			
Revenue Category	FY 12 Actuals	FY 12 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 8.0	\$ 8.8	\$ (0.8)
Fines and Penalties	0.1	0.2	(0.1)
Miscellaneous Sales	1.2	1.0	0.2
Federal Recoveries Indirect Costs	0.9	0.7	0.2
Total	\$ 10.2	\$ 10.7	\$ (0.5)



The **State Fish & Game** department reports 9% lower sales of licenses from plan. However, total Fish & Game revenue for the year is approximately equal to the prior year.

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Sales of Cigarette Stamps			
Annual for each of last five years (number of stamps, in thousands)			
Prepared from data provided by DRA			
Year	Sales of Stamps	Volume Change	Percent Change
Five year cumulative>>>			
2012**	123,749	1,524	1.2%
2011	122,225	(6,351)	-4.9%
2010*	128,575	(24,754)	-16.1%
2009*	153,330	1,870	1.2%
2008*	151,460		
*Mid year tax rate increases			
**Tax rate decrease believed to result in consumer purchase delays from May and June 2011, to July			

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